

BILL NO. 80-91

BOOK 6 PAGE 290

COUNTY COUNCIL

OF

HARFORD COUNTY, MARYLAND

BILL NO. 80-91

Introduced by Council President Hardwicke at the request
of the County Executive

Legislative Day No. 80-29 Date October 21, 1980

AN EMERGENCY ACT to provide the County Executive with the authorization to execute an agreement with the First National Bank of Maryland for leasing of motor vehicles for 36 months from the current fiscal year through the two fiscal years following, in accordance with Section 520 of the Charter of Harford County, Maryland.

By the Council, October 21, 1980

Introduced, read first time, ordered posted and public hearing scheduled

on: November 18, 1980

at: 7:00 P.M.

By Order: Angela Markowski, Secretary

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on November 18, 1980 and concluded on November 18, 1980.

Angela Markowski, Secretary

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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1 WHEREAS, the County Executive is desirous of contract-
2 ing with the First National Bank of Maryland; and

3 WHEREAS, said Lease Agreement will be in effect for the
4 current fiscal year through the two fiscal years following; and

5 WHEREAS, said Lease Agreement is attached hereto and
6 made a part hereof; and

7 WHEREAS, Section 520 of the Charter of Harford County,
8 Maryland, requires that all agreements and payments thereunder
9 which would extend beyond the current fiscal year be authorized
10 by legislative act.

11 NOW, THEREFORE,
12 Section 1. *Be It Enacted By The County Council of Harford County,*
13 *Maryland,* that the County Executive, be, and he is hereby
14 authorized to execute, on behalf of the County, an agreement
15 with the First National Bank of Maryland for the below listed
16 amount:

17 Amount to be Paid Annually:

18 Current Fiscal Year \$34,007.52

19 Second Fiscal Year \$31,599.96

20 Third Fiscal Year \$31,599.96

21
22 Section 2. *And Be It Further Enacted,* that this Act is hereby
23 declared to be an Emergency Act, necessary for the governmental
24 operations of Harford County and shall take effect on the date
25 it becomes law.

26 EFFECTIVE: December 5, 1980

27
28 *The Secretary of the Council does hereby*
29 *certify that fifteen (15) copies of this bill*
30 *are immediately available for distribution to*
31 *the public and the press.*

32 *Angelo D. Dardowski*, Secretary

MOTOR VEHICLE LEASE

1. **Vehicle.** The First National Bank of Maryland (hereinafter called "FNB"), a National Banking Association with an office in _____
 _____, Maryland, hereby leases to _____
 _____ (Lessee's Name)

of _____

(Lessee's Address)

_____ (hereinafter called "Lessee," whether one or more), and _____
 _____ essee hereby leases from FNB, the following motor vehicle(s) (hereinafter called the "vehicle," whether one or more):

Vehicle: Year, Make, Serial No., Body Style

Optional Equipment

- | | |
|---|--|
| <input type="checkbox"/> Engine | <input type="checkbox"/> Wheel Covers |
| <input type="checkbox"/> Auto. Trans. | <input type="checkbox"/> Whitewall Tires |
| <input type="checkbox"/> Radio | <input type="checkbox"/> Vinyl Roof |
| <input type="checkbox"/> Power Steering | <input type="checkbox"/> Power Seats |
| <input type="checkbox"/> Power Brakes | <input type="checkbox"/> Power Window |
| <input type="checkbox"/> Air Cond. | <input type="checkbox"/> |
| <input type="checkbox"/> Tinted Glass | <input type="checkbox"/> |

Residual Value

\$

Monthly Depreciation Factor

\$

2. **Equipment.** The vehicle shall have all standard equipment (except as replaced by optional equipment) and shall also have the optional equipment described above.

3. **Term and Rental.** This lease, and all terms hereof, shall be binding as of the date of execution; however, the lease term shall commence on the first day of the month following notice given by FNB that the vehicle is ready for acceptance by Lessee, and shall continue for a period of _____ months. The Lessee agrees to pay a monthly rental of \$ _____ for each month of the term of the lease, the first and last of which rental payments shall be due and payable upon execution of this Lease. The second monthly rental payment shall become due and payable on the _____ day of _____, 19____, and subsequent rental payments shall be due and payable on the same day each month thereafter until all rental payments of this Lease have been paid. If the Lessee defaults in payment of any rental payment for ten or more days, the Lessee agrees to pay FNB a delinquency charge of the lessor of \$5.00 or 5% of the rental payment for each such default.

The Lessee shall pay, upon notification of the availability of the vehicle for lease, a total delivery payment consisting of the vehicle rental for the remaining portion of the month in the amount of \$ _____.

If FNB consents, the Lessee may extend the term of this Lease for a period to be agreed upon by FNB and the Lessee. The monthly rental payment for each month of such extended term shall be the same as the monthly rental payments provided for above. In the event of any such extension the residual value set forth shall be reduced by the amount of the monthly depreciation factor set forth above for each month of such extended term.

4. **Disclaimer of Warranty.** The vehicle is covered by the warranty of the manufacturer, and the Lessee shall be entitled to the benefit of that warranty during the term of this Lease and any extension hereof so long as such warranty is in effect. The Lessee acknowledges that he is familiar with, or has had the opportunity to familiarize himself with, the manufacturer's warranty, and the Lessee acknowledges that the manufacturer's warranty is acceptable to him. THE LESSEE EXPRESSLY UNDERSTANDS AND AGREES THAT FNB HAS NOT MADE, DOES NOT MAKE, AND WILL NOT MAKE ANY EXPRESS OR IMPLIED WARRANTY OF ANY KIND THAT THE VEHICLE IS MERCHANTABILITY OR FOR ANY PARTICULAR PURPOSE OR USE. The Lessee accepts the manufacturer's warranty in lieu of any express or implied warranty concerning the vehicle by FNB. No dispute or disagreement between the Lessee and the manufacturer about the warranty shall affect the Lessee's obligations to FNB under this Lease. No defect in the vehicle shall relieve the Lessee from its obligations under this Lease.

5. **Maintenance and Repairs.** Except for such maintenance and servicing of the vehicle as are provided by the manufacturer of the vehicle under the manufacturer's warranty, the Lessee shall be responsible for and shall pay for all gasoline, oil, antifreeze, tires, batteries, and other parts, equipment, maintenance, and services which are necessary to the operation of the vehicle and to maintain the vehicle in good and efficient working order and condition. Except to the extent that such repairs may be provided by the manufacturer under its warranty or by collection insurance, the Lessee shall also be responsible for and shall pay for repairs to the vehicle. The Lessee agrees to maintain the vehicle in good and efficient working order and to repair any and all damage to the vehicle promptly after the occurrence of such damage. Any and all parts and equipment added to the vehicle shall become a part of the vehicle by accession and the property of FNB, without charge to FNB. The Lessee agrees to surrender the vehicle to FNB at the end of the term of this Lease or any extension hereof (or upon earlier termination hereof) in good and efficient working order, repair, and condition, ordinary wear and tear excepted. If the Lessee shall fail to observe or perform any term of this paragraph, FNB shall have the option, but no obligation, to perform such term and shall charge the expense and cost hereof to the Lessee. The Lessee shall not be entitled to be reimbursed by FNB for any sums expended by the Lessee pursuant to this paragraph.

6. **Registration, Inspection, and Taxes.** FNB shall obtain title, registration and license plates for the vehicle from the Maryland Department of Motor Vehicles in the name of FNB. FNB shall bear the expense of having the vehicle inspected as required by the laws of the State of Maryland prior to delivery of the vehicle to the Lessee, but the Lessee shall be responsible for having the vehicle inspected in each subsequent year of the term of this Lease and any extension hereof and shall bear the expense thereof. The Lessee shall pay all ad valorem taxes on the vehicle during the term of this Lease and any extension hereof. FNB will submit a bill to the Lessee for such taxes each year. The Lessee shall pay all other taxes and all other charges of any kind which may be payable by reason of the use, operation, storage, or possession of the vehicle during the term of this Lease and any extension hereof.

7. **Insurance.** During the term of this Lease and any extension hereof the Lessee shall maintain in continuous force and effect and pay for the following insurance on the vehicle:

- Automobile liability insurance with limits of not less than \$100,000 for any one person for injury or death, \$300,000 for any one accident for injury or death, and \$50,000 for property damage; and
- Comprehensive fire and theft insurance with not more than \$100.00 deductible; and
- Collision and upset insurance with not more than \$100.00 deductible; and
- Such other insurance as FNB may require from time to time.

All of the above insurance shall be paid for by the Lessee. The insurance described above shall cover FNB as the insured and the owner of the vehicle, shall be payable to or for FNB and shall be provided by insurance companies selected by the Lessee and approved by FNB. The Lessee shall provide FNB with evidence of the existence of all of the above insurance, including copies of the policies and receipts for payment of the premiums thereon upon delivery of the vehicle to the Lessee and at such times during the term of this Lease and any extension hereof as FNB may require. If the proceeds of any such insurance shall become payable to FNB, FNB shall have the option to use such proceeds to replace or repair the vehicle or to apply such proceeds toward satisfaction of the Lessee's obligations to FNB hereunder. The Lessee also agrees to comply with all terms and conditions of the insurance policies covering the vehicle. The Lessee agrees to give FNB immediate notice of any loss, damage, theft, or destruction of the vehicle and of any accident in which the vehicle is involved. The Lessee assumes and shall bear the entire risk of loss, damage, theft, and destruction of the vehicle from any and every cause whatsoever during the term of this Lease and any extension hereof, and the Lessee agrees that no such loss, damage, theft, or destruction of the vehicle shall release the Lessee from his obligations to FNB under this Lease.

8. **Indemnity.** The Lessee agrees to indemnify FNB and hold FNB harmless from any and all loss, damage, claims, demands, expenses and costs which FNB may incur by reason of any breach or violation of any term or provision of this Lease or by reason of the Lessee's failure to observe or perform any term or provision of this Lease. The Lessee also agrees to indemnify and hold FNB harmless from any loss, damage, theft, or destruction of the vehicle during the term of this Lease and any extension hereof. The Lessee also agrees to indemnify and hold FNB harmless from any loss, damage, injury, claim, demand, expense and cost incurred by FNB arising out of or connected with the use, operation, or condition of the vehicle during the term of this Lease and any extension hereof.

9. **Use of Vehicle.** The vehicle shall be used and operated in a careful manner and in compliance with all laws and ordinances during the term of this Lease and any extension hereof. The vehicle shall not be abused or misused or operated for any illegal purpose or by any person who is under the influence of alcohol or any drug. Nor shall the vehicle be used in any manner or for any purpose that would cause the insurance provided for herein to be suspended, cancelled, inapplicable, or increased in cost. FNB shall have the right to inspect the vehicle at any reasonable time or times, and the Lessee shall advise FNB of the exact location of the vehicle upon request by FNB.

19. Events of Default. The following shall constitute events of default under this Lease:

- (a) The Lessee fails to pay when due any rental payment or other sum provided for herein to be paid to FNB.
- (b) The Lessee fails to maintain in full force and effect throughout the term of this Lease and any extension hereof any insurance provided for herein.
- (c) The Lessee fails duly to observe or perform any other term or provision of this Lease.
- (d) Any bankruptcy, reorganization, receivership, insolvency, arrangement or other proceeding for the relief of debtors is commenced by or against Lessee, or Lessee makes any assignment for the benefit of Lessee's creditors, or any trustee or receiver is appointed for Lessee or any property of the Lessee.
- (e) The Lessee makes or suffers any voluntary or involuntary assignment of the Lessee's interest in the vehicle or this Lease, or lien, attachment, or levy is made on or against the vehicle.
- (f) The Lessee, if a corporation, ceases to do business as a going concern.
- (g) The Lessee has or acquires any record or reputation for violating any laws relating to intoxicating beverages or narcotics, or Lessee uses the vehicle or permits the vehicle to be used for any unlawful purpose.
- (h) FNB reasonably deems itself insecure or its prospects for payment under this Lease impaired.

11. Remedies Upon Default. Upon the occurrence of any of the aforesaid events of default FNB shall have the right to terminate the Lease without releasing the Lessee from any of the Lessee's obligations under this Lease, to accelerate the time for payment of all rental payments provided for herein, to demand and receive immediate possession of the vehicle, and to exercise any other remedies it may have against the Lessee under this Lease or otherwise. If the Lessee fails to surrender possession of the vehicle to FNB upon termination of this Lease, the Lessee shall be liable to FNB for the full amount of the rental payments provided for herein, plus 10% thereof for each month of the term of this Lease after the first twelve months of the term of this Lease, and the Lessee shall be liable to FNB for the sum of (i) the monthly depreciation factor set forth in paragraph 1 above plus 10% thereof for each month of the term of this Lease after the first twelve months of the term of this Lease, and (ii) the residual value of the vehicle, and (iii) any other sums owed FNB pursuant to this Lease.

12. Sale of Vehicle. At the expiration of the term of this Lease or any extension hereof, the vehicle shall be disposed of as follows:

(a) If the Lessee desires to purchase the vehicle the Lessee shall so notify FNB prior to the expiration of this Lease and tender to FNB in cash, within five days after the expiration of this Lease, (i) the residual value of the vehicle, which is set forth in paragraph 1 above, (ii) all unpaid rental payments which are provided for herein, and (iii) all other sums owed FNB pursuant to this Lease. Upon receipt of all such sums FNB shall convey title to the vehicle to the Lessee. If the Lessee wishes, FNB will consider financing the purchase of the vehicle for the Lessee.

(b) If the Lessee desires to sell the vehicle to a third party, the Lessee shall so notify FNB prior to the expiration of the term of this Lease and shall tender or cause to be tendered to FNB in cash, within five days after the expiration of this Lease, (i) the residual value of the vehicle, which value is set forth in paragraph 1 above, (ii) all unpaid rental payments which are provided for herein, and (iii) all other sums owed FNB pursuant to this Lease. If the vehicle is sold by the Lessee for less than the residual value, all unpaid rental payments, and all other sums owed FNB under this Lease, the Lessee shall be liable and responsible to FNB for any deficiency. The Lessee shall have no obligation to convey title to the vehicle to any third party until FNB has received the full amount of the residual value of the vehicle from the third party or the Lessee, together with all unpaid rental payments and all other sums owed by the Lessee under the term of this Lease. If the vehicle is sold by the Lessee for more than the residual value of the vehicle, any unpaid rental payments and any other sums owed FNB under this Lease, the Lessee shall be entitled to receive and retain the surplus.

(c) If the Lessee does not purchase the vehicle or arrange for the sale of the vehicle to a third party upon expiration or termination of this Lease, the Lessee shall deliver the vehicle to FNB or to such location as FNB shall specify. FNB shall then make such repairs to the vehicle or recondition the vehicle to the extent it deems appropriate and sell the vehicle to the highest of any three wholesale bidders. FNB shall select or to the highest bidder at any automobile auction. The cost of any such repairs or reconditioning of the vehicle shall be charged to the Lessee. If the vehicle is sold for less than the residual value of the vehicle, any unpaid rental payments and all other sums owed FNB under this Lease, the Lessee shall pay the deficiency to FNB upon demand by FNB. If the vehicle is sold for more than the residual value of the vehicle, any unpaid rental payments and all other sums owed FNB under this lease, the excess shall be paid to the Lessee by FNB. The expenses of any such sale shall be charged to the Lessee.

13. Termination. The Lessee shall not have any right to terminate this Lease prior to the expiration of the term of this Lease. However, if this Lease is terminated by FNB or, with the consent of FNB by the Lessee prior to the expiration of the term of this Lease, the following shall be applicable: (a) The Lessee shall not be released from any of the Lessee's obligations to pay the rental payments or any of the Lessee's other obligations under this Lease. (b) If any such termination occurs during the first twelve months of the term of this Lease, the Lessee shall be obligated to pay to FNB the sum of (i) the unpaid monthly rental payments for all of the first twelve months of the term of this Lease, plus the monthly depreciation factor set forth in paragraph 1 above plus 10% thereof for each month of the term of this Lease after the first twelve months of the term of this Lease, and (ii) the residual value of the vehicle, and (iii) any other sums owed FNB pursuant to this Lease. (c) If such termination occurs after the first twelve months of the term of this Lease but before the expiration of the term of this Lease, the Lessee shall be liable to FNB for the sum of (i) the monthly depreciation factor set forth in paragraph 1 above plus 10% thereof for each month of the unexpired term of this Lease at the time of termination, and (ii) the residual value of the vehicle, and (iii) any other sums owed FNB pursuant to this Lease.

In the event of any such termination of this Lease, the vehicle shall be sold by FNB to the Lessee or any third party for the highest of the three wholesale bidders selected by FNB or to the highest bidder at any automobile auction. The net proceeds of such sale, after deducting the expenses of repair, reconditioning, and selling the vehicle, shall be applied to the sums owed FNB as provided in this paragraph 13. If the proceeds of the sale are less than the sums owed pursuant to this paragraph 13, the Lessee shall pay such deficiency to FNB upon demand by FNB. If the net proceeds of the sale are greater than the sums owed FNB pursuant to this paragraph 13, the surplus shall be paid to the Lessee.

14. Destroyed or Lost Vehicle. If the vehicle is lost, stolen, destroyed, or becomes a constructive total loss the Lessee shall promptly notify FNB thereof and hold any salvage for FNB. FNB shall dispose of such salvage and apply the proceeds of the sale thereof to the Lessee's obligations hereunder. The Lessee assumes and shall bear the entire risk of loss, theft, damage, or destruction of the vehicle for any and every cause. No loss, theft, damage, or destruction of the vehicle shall affect the Lessee's obligation to pay the rental payments. The residual value of the vehicle to FNB as provided herein. Repossession or sale of the vehicle shall not affect FNB's rights to recover damages from the Lessee which FNB may sustain. FNB's rights and remedies in the event of expiration or termination of this Lease shall be excluded but shall be cumulative and in addition to all other rights and remedies of FNB.

15. Consequential Damages. FNB shall not be liable for any failure or delay in delivering the vehicle to the Lessee due to fire or other casualty, labor difficulty, governmental restriction, or any other cause beyond FNB's control. In no event shall FNB be liable for any loss of profits, consequential damages, inconvenience, rental or any replacement vehicle, or other damages due to any theft, damage, loss, defect, failure of the vehicle or the time consumed in recovering, repairing, servicing, or replacing the vehicle, and there shall be no abatement or reduction of the rental payments during any such time.

16. Subletting. The Lessee shall not sublet the vehicle without FNB's prior written consent. No subletting of the vehicle shall release the Lessee from its obligations to FNB under this Lease unless FNB otherwise agrees in writing. Nor shall the Lessee have any right to transfer or assign his interest in the vehicle or this Lease without FNB's prior written consent. The Lessee agrees that this is a lease only and that the Lessee has no ownership or other rights in or to the vehicle except as specifically provided herein. The Lessee shall not grant or permit to any third party any security interest, lien, charge, or other encumbrance against the vehicle. If any such encumbrance or charge shall arise against the vehicle, FNB shall have the option, but no obligation, to discharge such encumbrance or charge and charge the expense thereof to the Lessee.

17. Accidents. The Lessee shall give FNB and the insurers of the vehicle immediate notice of any damage to the vehicle or of any accident in which the vehicle may be involved. If any suit is commenced by reason of the use, operation, or condition of the vehicle, the Lessee shall give FNB immediate notice thereof, shall provide FNB with copies of all demands, notices, summonses, complaints, process, or of pleadings received by Lessee in connection therewith, and shall cooperate with and assist FNB in such action.

18. Binder. This Lease shall be binding upon, and shall inure to the benefit of, the Lessee and FNB.

19. Lease Agreement. This lease contains the final and entire agreement between the parties hereto, and neither they nor their agents shall be bound by any terms, conditions or representations not herein written.

20. Assignment. FNB shall have the right to transfer and assign this Lease and the motor vehicle covered hereby, and shall participate in the proceeds of any such transfer, but not by way of limitation, have the right to make such transfer of assignment to any third party. In the event of any such assignment and upon written notice thereof from FNB to Lessee, the Lessee shall make any and all subsequent payments under this Lease, when and as due, to the party or parties designated by said notice to receive those payments.

21. Applicable Law. This Lease shall be governed by and construed under the laws of the State of Maryland. IN WITNESS WHEREOF, the Lessee and FNB have caused this Lease to be executed on this _____ day of _____, 19____.

Lessee, if a Corporation)

(Lessee, if an Individual)

(Seal)

By: _____

(Lessee, if an Individual)

(Seal)

Title: _____

THE FIRST NATIONAL BANK OF MARYLAND

By: _____

Vice President

80-91

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BY THE COUNCIL

Read the third time.

Passed LSD 80-31 (December 2, 1980) ~~(with amendments)~~

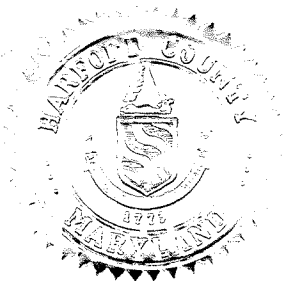
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By order

Angela Markowski, Secretary

Sealed with the County Seal and presented to the County Executive
for his approval this 3rd day of December, 1980
at 3:00 o'clock P..M.

Angela Markowski, Secretary



BY THE EXECUTIVE

APPROVED:

[Signature]
County Executive
Date 12/5/80

BY THE COUNCIL

This Bill (No. 80-91), having been approved by the Executive
and returned to the Council, becomes law on December 5, 1980.

Angela Markowski, Secretary

Rec'd & Recorded 3-4 1981 at 1:00 P.M.
Liber 6 Folio 290 & examined per
H. Douglas Chilcoat, Clerk, Harford Co.

EFFECTIVE DATE: December 5, 1980

80-91